

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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SEQUENT ENERGY MANAGEMENT, L.P.)	FE DOCKET NO. 04-17-NG
_____)	

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT AND EXPORT NATURAL GAS
FROM AND TO CANADA AND MEXICO

DOE/FE ORDER NO. 1951

FEBRUARY 27, 2004

I. DESCRIPTION OF REQUEST

On February 19, 2004, Sequent Energy Management, L.P. (Sequent) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),^{1/} for blanket authorization to import and export up to a combined total of 500 billion cubic feet (Bcf) of natural gas from and to Canada and Mexico over a two-year term commencing on April 1, 2004, and extending through March 31, 2006. Sequent is a Georgia limited partnership with its principal place of business in Houston, Texas. Sequent, a wholly-owned subsidiary of AGL Resources, purchases natural gas and provides gas and other energy related services throughout the United States. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Sequent has been evaluated to determine if the proposed import and export arrangement meets the public interest requirement of section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486). Under section 3(c), the import or export of natural gas from or to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Sequent to import and export natural gas from and to Canada and Mexico, nations with which free trade agreements are in effect,

^{1/} 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redelegation Order No. 00-002.04 (January 8, 2002).

meets the section 3(c) criterion and, therefore, is consistent with the public interest. This blanket order authorizes transactions under contracts with terms of no longer than two years.

ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. Sequent Energy Management, L.P. (Sequent) is authorized to import and export up to a combined total of 500 billion cubic feet (Bcf) of natural gas from and to Canada and Mexico over a two-year term commencing on April 1, 2004, and extending through March 31, 2006. This natural gas may be imported or exported at any point on the international borders between the United States and Canada and the United States and Mexico.

B. With respect to the natural gas imports and exports authorized by this Order, Sequent shall file with Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether imports or exports of natural gas have been made.

Quarterly reports must be filed whether or not initial deliveries have begun. If no imports or exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, Sequent must report the following: (1) total monthly volumes in Mcf; (2) the average purchase price of gas per MMBtu at the international border; (3) the name of the seller(s); (4) the name of the purchaser(s); (5) the estimated or actual duration of the agreement(s); (6) the name of the United States transporter(s); (7) the point(s) of entry or exit; (8) the geographic market(s) served (for imports, by State). For import transactions only, the report shall also include: (1) whether sales are being made on an interruptible or firm basis; and, if applicable, (2) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB No.: 1901-0294]

C. The first quarterly report required by Ordering Paragraph B of this Order is due not later than July 30, 2004, and should cover the period from April 1, 2004, through the end of the second calendar quarter, June 30, 2004.

D. Quarterly reports shall be filed with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, Room 3E-042, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C., 20585.

Issued in Washington, D.C., on February 27, 2004.

Sally Kornfeld
Acting Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy